

## **Annual report 2017**

A.H.T. Syngas Technology N.V.  
Hurksestraat 43  
5652 AH Eindhoven

# A.H.T. Syngas Technology N.V.

## **Explanation from the CEO on the Business Year 2017**

The opening of the insolvency proceedings of the 100% subsidiary A.H.T. Services GmbH as applied for on 28<sup>th</sup> November 2016, took place in April 2017. This led to a very challenging year 2017. Apart from acquiring new projects, the trust of the existing customers had to be maintained and strengthened.

A know-how drain had to be prevented by taking in projects with lower gross margins and even losses on full cost basis. By these actions, A.H.T. was able to secure its most important know-how by keeping the intellectual property and core personnel and was able to keep the existing infrastructure like software, drawings, IT etc.

Furthermore, A.H.T. secured the business location in Overath.

During the Year 2017, A.H.T. received an order from Switzerland where A.H.T. is responsible for the planning and commissioning of a waste to energy system based on Hydrothermal Carbonization together with a partner company. Furthermore the services and spare part business from existing projects was secured and continued.

End of 2017, new orders for engineering were secured and signed.

With this and further strategy partnerships in Europe and Asia, the company losses were already reduced and with the new order prospects A.H.T. is optimistic to manage a turnaround within 2018.

A.H.T. Syngas Technology N.V.  
Gero Ferges

## **Accountants' report**

To the board of:

A.H.T. Syngas Technology N.V.  
Hurksestraat 43  
5652 AH Eindhoven

## Accountants' compilation report

The financial statements of A.H.T. Syngas Technology N.V. at Amsterdam have been compiled by me using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year 2016 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by me in accordance with Dutch law, including the Dutch Standard 4410H, 'Compilation engagements', which is applicable to accountants. The standard requires me to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end I have applied mine professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide me with all relevant information and that this information is correct. Therefore, I have conducted my work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude my work, I have read the financial statements as a whole to consider whether the financial statements as presented correspond with my understanding of A.H.T. Syngas Technology N.V. I have not performed any audit or review procedures which would enable me to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement I have complied with the relevant ethical requirements prescribed by the Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that I have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that I will treat all information provided to me as confidential.

Sint-Oedenrode, June 28th 2018

L. van Etten

Bijzaak Administraties



## **Annual report 2017**

**Balance sheet as per 31-12-2017**

	<u>31-12-2017</u>		<u>31-12-2016</u>	
<b>ASSETS</b>				
<b>Intangible fixed assets</b>				
Engineering designs	<u>819.184</u>		<u>921.582</u>	
		<b>819.184</b>		<b>921.582</b>
<b>Financial fixed assets</b>				
Loan	<u>13.448</u>		<u>19.828</u>	
		<b>13.448</b>		<b>19.828</b>
<b>Tangible fixed assets</b>				
Inventory	<u>13.693</u>		<u>0</u>	
		<b>13.693</b>		<b>0</b>
<b>Current assets</b>				
Recivables, prepayments and accrued income	764.641		725.418	
Cash and cash equivalents	<u>16.717</u>		<u>0</u>	
		<b>781.358</b>		<b>725.418</b>
		<u><b>1.627.683</b></u>		<u><b>1.666.828</b></u>

## Balance sheet as per 31-12-2017

	<u>31-12-2017</u>	<u>31-12-2016</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Issued share capital	1.500.000	1.500.000
Share premium reserve	4.350.727	4.350.727
Reserve for research and development	819.184	921.582
Other reserves	<u>-6.232.009</u>	<u>-6.186.927</u>
	<b>437.902</b>	<b>585.382</b>
<b>Current liabilities</b>		
Finance company debt	0	38.237
Trade creditors	98.248	41.985
Other liabilities and accruals	<u>1.091.533</u>	<u>1.001.224</u>
	<b>1.189.781</b>	<b>1.081.446</b>
	<u><b>1.627.683</b></u>	<u><b>1.666.828</b></u>

## Profit and loss account 2017

	<u>2017</u>	<u>2016</u>
Sales	304.838	24.000
Purchasing costs	<u>105.114</u>	<u>0</u>
<b>Gross margin</b>	<b>199.724</b>	<b>24.000</b>
Wages and salaries	140.912	111.940
Amortisation and depreciation	104.505	102.398
Other operating expenses	<u>100.053</u>	<u>210.239</u>
<b>Total costs</b>	<b>345.470</b>	<b>424.577</b>
<b>Operating results</b>	<b><u>-145.746</u></b>	<b><u>-400.577</u></b>
Financial income and expenses	-1.734	-32.098
<b>Result (before and after taxes)</b>	<b><u><u>-147.480</u></u></b>	<b><u><u>-432.675</u></u></b>



## Notes to the financial statements

### General

#### Activities

A.H.T. Syngas Tehnology N.V. mainly acts as a holding and financing company.

#### General accounting principles for the preparation of the annual accounts

The financial statement is drawn up in accordance with Title 9 Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical costs, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

#### Assumption of continuity

Despite the negative result, at present the shareholder has made the commitment to finance any shortfalls to ensure that the Company will operate as a going concern in the foreseeable future. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Company.

#### Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view judgements, including the related assumptions, is disclosed in the notes to the financial statements items in question.

### Principles of valuation of assets and liabilities

#### Intangible fixed assets

Intangible fixed assets are stated at historical costs less amortization. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realizable value.

### Principles for the determination of the result

The result is the difference between the realizable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognized in the year in which they are realized.

## Notes to the balance sheet as of December 31, 2017

### Intangible fixed assets

#### Engineering designs

Purchase price	1.023.980
Cumulative amortisation	-102.398
Carrying amount as of January 1, 2017	921.582
Investments	0
Depreciation	-102.398
Movement	-102.398
Carrying amount as of December 31, 2017	819.184
Amortisation rate	10%

### Tangible fixed assets

#### Inventory

Purchase price	0
Cumulative amortisation	0
Carrying amount as of January 1, 2017	0
Investments	15.800
Depreciation	-2.107
Movement	13.693
Carrying amount as of December 31, 2017	13.693
Amortisation rate	20%

	<u>31-12-2017</u>	<u>31-12-2016</u>
<b><u>Current assets</u></b>		
Trade Debtors	727.247	741.804
Provision for doubtful debtors	0	-31.069
Paid bail	5.200	
Value added tax	23.739	14.683
Other current assets	8.455	
	<u>764.641</u>	<u>725.418</u>

## Notes to the balance sheet as of December 31, 2017

### SHAREHOLDERS' EQUITY

	<u>31-12-2017</u>	<u>31-12-2016</u>
Issued share capital	1.500.000	1.500.000
Share premium reserve	4.350.727	4.350.727
Reserve for research and development	819.184	921.582
Other reserves	<u>-6.232.009</u>	<u>-6.186.927</u>
	<b>437.902</b>	<b>585.382</b>

#### **Issued share capital**

Subscribed and paid up 1,500,000 ordinary shares at per value EUR 1,00.

#### **Reserve for research and development**

Carrying amount as of January 1, 2017	921.582
Movement (depreciation intangible fixed assets)	-102.398
Carrying amount as of December 31, 2017	<u><u>819.184</u></u>

A legal reserve has been formed within equity with regard to the recognised development of engineering designs.

#### **Other reserves**

Carrying amount as of January 1, 2017	-6.186.927
Allocation of financial year net result	-147.480
Movement legal reserve	102.398
Carrying amount as of December 31, 2017	<u><u>-6.232.009</u></u>

	<u>31-12-2017</u>	<u>31-12-2016</u>
<b><u>Other liabilities and accruals</u></b>		
Loans third parties	1.081.099	970.845
Administration costs	5.000	15.000
Other accrued liabilities	<u>5.434</u>	<u>15.379</u>
	<b>1.091.533</b>	<b>1.001.224</b>

## Notes to the profit and loss account 2017

### Staff

During 2017, the company had no employees (2016: 0).

	<u>2017</u>	<u>2016</u>
<b>Depreciation</b>		
Inventory	2.107	
Engineering designs	<u>102.398</u>	<u>102.398</u>
	<u>104.505</u>	<u>102.398</u>
<b>Other operating expenses</b>		
Depreciation debtors A.H.T. Services GmbH	28.560	31.069
Advisory fees	28.091	136.815
Rent	16.049	
Office costs	8.967	740
Travel expenses	8.220	11.617
Other general expenses	4.013	-337
Accountant and administration costs	3.595	14.662
Representation costs	1.101	8.037
Insurances	1.058	
Legal fees	<u>300</u>	<u>7.636</u>
	<u>99.954</u>	<u>210.239</u>

### Signing of the financial statements

Eindhoven, .. - .. - 2018  
Management Board:

Gero Bernhard Ferges

### Signing of the financial statements

..... - .. - 2018  
Supervisory Board:

Kevin Paul McDevitt

..... - .. - 2018  
Supervisory Board:

Swee Yee Wong